NEWS RELEASE

Southwest Airlines Signs Memorandum of Understanding With Archer Aviation to Develop Operational Concepts for Air Taxi Network

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DALLAS & SANTA CLARA, Calif.--(BUSINESS WIRE)-- Southwest Airlines Co. (NYSE: LUV) and Archer Aviation Inc. (NYSE: ACHR) have signed a memorandum of understanding (MOU) to develop operational plans for electric air taxi networks utilizing Archer's eVTOL aircraft at California airports where Southwest® operates. Archer Aviation is a leading manufacturer of electric vertical takeoff and landing (eVTOL) aircraft.

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Southwest is the Golden State's largest air carrier, operating at 14 airports across the state. Archer Midnight aircraft is designed to transform urban travel, replacing 60-to-90-minute commutes by car with estimated 10-to-20-minute electric air taxi flights. The goal of Archer's aircraft is to offer a safe, low-noise, cost-competitive transportation option with no direct emissions.

Southwest and Archer intend to collaborate on a concept of operations that lays the foundation for integrated electric air taxi networks that would support California airports and the surrounding communities that Southwest serves. This collaboration will include partnering with Southwest employees and respective unions, including SWAPA, to maintain and improve efficient operations. This is a key step toward potentially offering Southwest customers an airport transport service that saves time by streamlining the door-to-door passenger journey.

"Southwest is eager to explore the convenience Archer's air taxis could provide Customers flying Southwest at airports in busy urban areas," said Paul Cullen, Vice President Real Estate at Southwest Airlines. "We've proudly served as California's largest carrier for nearly 25 years, and integrating Archer's electric aircraft into the travel journey potentially gives us an innovative opportunity to enhance the experience of flying Southwest. We look forward to collaborating with Archer as we assess future commercial activities in California and other Southwest locations."

"Archer's collaboration with Southwest to introduce air taxis in California showcases our state's dedication to climate innovation and advanced technology," said Dee Dee Myers, Senior Advisor to Governor Gavin Newsom and Director of the Governor's Office of Business and Economic Development. "This initiative is designed to help revolutionize clean transportation with zero-direct emission and affordable options, enhancing the passenger experience, and supporting California's climate action goals."

"With Archer's Midnight aircraft, passengers will be able to fly above traffic to get to the airport faster," said Nikhil Goel, Chief Commercial Officer at Archer. "By putting together Southwest's impressive network of airports in California and their frequent intrastate flights with our planned network, Southwest customers could someday complete door-to-door trips like Santa Monica to Napa in less than three hours."

Archer and Southwest plan to collaborate over the next few years as eVTOLs take flight. Combining Archer's aircraft and planned urban air mobility network with Southwest flights could offer an enhanced experience for the first and last miles of the customer travel journey.

ABOUT ARCHER

Archer is a leader in the electrification of aviation. The company is designing and developing the key enabling technologies and aircraft that are necessary to power the next great transportation revolution. Archer's goal is for its proprietary technology to deliver unprecedented connectivity to the people and places across the most congested cities in the world. To learn more, visit **www.archer.com** .

ABOUT SOUTHWEST AIRLINES CO.

Southwest Airlines Co. operates one of the world's most admired and awarded airlines, offering its one-of-a-kind value and Hospitality at 121 airports [1] across 11 countries. Southwest took flight in 1971 to democratize the sky through friendly, reliable, and low-cost air travel and now carries more air travelers flying nonstop within the United States than any other airline [2] . Based in Dallas and famous for an Employee-first corporate Culture, Southwest maintains an unprecedented record of no involuntary furloughs or layoffs in its history. By empowering its more than 74,000 [3] People to deliver unparalleled Hospitality, the maverick airline cherishes a passionate loyalty among more than 137 million Customers carried in 2023. That formula for success brought industry-leading prosperity and 47 consecutive years [4] of profitability for Southwest Shareholders (NYSE: LUV). Southwest leverages a unique legacy and mission to serve communities around the world including harnessing the power of its People and Purpose to put communities at the Heart of its success. Learn more by visiting **Southwest.com/citizenship** . As the airline with Heart, Southwest has set a goal to work toward achieving net zero carbon emissions by 2050 [5] . Southwest has also set near-term targets and a three-pillar strategy to achieve its environmental goals. Learn more by visiting **Southwest.com/planet** .

[1]Effective Aug. 5, 2024, the airline will serve 117 airports.

[2]Based on U.S. Dept. of Transportation quarterly Airline Origin & Destination Survey since Q1 2021

[3]Fulltime-equivalent active Employees

[4]1973-2019 annual profitability

[5]Southwest's net zero by 2050 goal includes Scope 1, Scope 2, and Scope 3 Category 3 emissions only and excludes any emissions associated with non-fuel products and services, such as inflight service items.

Archer Forward Looking Statements

This press release contains forward looking statements regarding Archer's future business plans and goals, including statements regarding its aircraft performance, air taxi network buildout and the timing of Archer's development, commercialization, and certification of its eVTOL aircraft. In addition, this press release refers to a MOU that is conditioned on the future execution by the parties of binding definitive agreements incorporating the terms outlined in the MOU, which definitive agreements may not be completed or may contain different terms than those set forth in the MOU. These forward-looking statements are only predictions and may differ materially from actual results due to a variety of factors. The risks and uncertainties that could cause actual results to differ from the results predicted are more fully detailed in Archer's filings with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, available at **www.sec.gov**. In addition, please note that any forward-looking statements contained herein are based on assumptions that Archer believes to be reasonable as of the date of this press release. Archer undertakes no obligation to update these statements as a result of new information or future events.

Cautionary Statement Regarding Southwest's Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Specific forward-looking statements include, without limitation, statements related to the Company's goals, plans, and expectations with respect to electronic air taxi networks and Archer aircraft, including its plans for collaboration with Archer, Southwest Employees, and respective unions, and with respect to maintaining and improving efficient operations. These forward-looking statements are based on the Company's current estimates, intentions, beliefs, expectations, goals, strategies, and projections for the future and are not guarantees of future performance. Forward-looking statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) the impact of fears or actual outbreaks of diseases, extreme or severe weather and natural disasters, actions of competitors, consumer perception, economic conditions, banking conditions, fears or actual acts of terrorism or war, sociodemographic trends, and other factors beyond the Company's control, on consumer behavior and the Company's results of operations and business decisions, plans, strategies, and results; (ii) the Company's ability to timely and effectively implement, transition, operate, and maintain the necessary information technology systems and infrastructure to support its operations and initiatives; (iii) the cost and effects of the actions of activist shareholders; (iv) the Company's ability to obtain and maintain adequate infrastructure and equipment to support its operations and initiatives; (v) the impact of fuel price changes, fuel price volatility, volatility of commodities used by the Company for hedging jet fuel, and any changes to the Company's fuel hedging strategies and positions, on the Company's business plans and results of operations; (vi) the Company's dependence on third parties, in particular with respect to its electronic air taxi networks and the eVTOL aircraft, and the impact on the Company's operations and results of operations of any third party delays or non-performance; (vii) the Company's ability to timely and effectively prioritize its initiatives and focus areas and related expenditures; (viii) the impact of labor matters on the Company's business decisions, plans, strategies, and results; (ix) the impact of governmental regulations and other governmental actions on the Company's business plans, results, and operations; (x) the Company's dependence on its workforce, including its ability to employ and retain sufficient numbers of qualified Employees with appropriate skills and expertise to effectively and efficiently maintain its operations and execute the Company's plans, strategies, and initiatives; and (xiii) other factors, as described in the Company's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10- K for the fiscal year ended December 31, 2023.

Source: Archer
Text: ArcherIR

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Source: Archer Aviation